



ASA DIX LEGAL BRIEF

A PREVENTIVE LAW SERVICE OF THE JOINT READINESS CENTER LEGAL SECTION
UNITED STATES ARMY SUPPORT ACTIVITY DIX
KEEPING YOU INFORMED ON YOUR PERSONAL LEGAL NEEDS

CREDIT REPORTS

The Federal Trade Commission (FTC) enforces the Fair Credit Reporting Act (FCRA) to promote the accuracy, fairness, and privacy of information in the files of the nation's consumer reporting companies. Consumer reporting companies sell the information in your report to creditors, insurers, employers, and other businesses that use the information to evaluate your applications for credit, insurance, employment, or a lease. Having a good credit report means it will be easier for you to get loans, lower interest rates, and smaller monthly payments. It is crucial that you periodically check your credit report to ensure there are no mistakes.

Q: What information is in my credit report? Your credit report contains your name, Social Security number, address history, employment history, and whether you ever owned a home. Your credit accounts are listed, showing how much credit has been extended, your payment history, and whether an overdue account was referred to collection. Matters of public record, such as bankruptcies, foreclosures, or tax liens, may appear in your credit report as well. Consumer reporting companies must maintain a record of all creditors who have asked for your credit history for one year and all individuals or businesses that have asked for your credit history for employment purposes for two years.

Q: Is there a charge for my report and how do I order my report? Under the Free File Disclosure Rule of the Fair and Accurate Credit Transactions Act, each of the three consumer reporting companies (Equifax, Experian, and TransUnion) is required to provide you with one free copy of your credit report every 12 months, if you ask for it. The three consumer reporting companies use one website, toll-free telephone number, and mailing address for consumers to order their free annual report. To order, call 1-877-322-8228 or click on www.annualcreditreport.com. If you need to reach one of the consumer reporting companies individually, the following is their individual contact information:

Equifax
800-685-1111
www.equifax.com

Experian
888-EXPERIAN (397-3742)
www.experian.com

Trans Union
800-916-8800
www.transunion.com

Q: What is a credit score, and how does it affect my ability to get credit? Credit scoring is a system creditors use to help determine whether to give you credit and how much to charge you for it. Information about you and your credit experiences, like your bill-paying history, the number and type of accounts you have, late payments, collection actions, outstanding debt, and the age of your accounts, is collected from your credit application and your credit report. Using a statistical formula, a credit score is awarded to predict how creditworthy you are, that is, how likely it is that you will repay a loan and make the payments on time. You

can get your credit score from the three nationwide consumer reporting companies, but you will have to pay a fee for it.

Q: How can I correct inaccurate information in my credit report? The consumer reporting company and the person or company that provides information about you to a consumer reporting company are responsible for correcting inaccurate or incomplete information in your report. First, tell the consumer reporting company and information provider, in writing, what information you think is inaccurate. Include copies (not originals) of documents that support your position and clearly identify each item in your report that you dispute, state the facts and explain why you dispute the information, and request that the information be deleted or corrected. Your letter may look something like the one below and should be sent by certified mail.

Sample Dispute Letter

Date

Your Name

Your Address

Your City, State, Zip Code

Complaint Department

Name of Company

Address

City, State, Zip Code

Dear Sir or Madam:

I am writing to dispute the following information in my file. The items I dispute also are encircled on the attached copy of the report I received.

This item (identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.) is (inaccurate or incomplete) because (describe what is inaccurate or incomplete and why). I am requesting that the item be deleted (or request another specific change) to correct the information.

Enclosed are copies of (use this sentence if applicable and describe any enclosed documentation, such as payment records, court documents) supporting my position. Please investigate this (these) matter(s) and (delete or correct) the disputed item(s) as soon as possible.

Sincerely, Your name

Enclosures: (List what you are enclosing)

Q: What will the consumer reporting company do about removing the inaccurate information? The consumer reporting company will investigate the items in question and must forward all the relevant data you provide about the inaccuracy to the organization that provided the information. After the information provider receives notice of a dispute from the consumer reporting company, it must investigate, review the relevant information, and report the results back to the consumer reporting company, usually within 30 days. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide consumer reporting companies so they can correct the information in your file. When the investigation is complete, the consumer reporting company must give you the written results and a free copy of your report if the dispute results in a change. If you request, the consumer reporting company must send notices of any correction to anyone who received your report in the past six months. A corrected copy of your report can be sent to anyone who received a copy during the past two years for employment purposes. Finally, if an investigation does not completely resolve your dispute with the consumer reporting company, you can request that a statement of the dispute be included in your file and in future reports.

ASA DIX LEGAL BRIEF is one of a series of Information Papers from the ASA Dix Joint Readiness Legal Section containing general legal information on topics which Legal Assistance Attorneys frequently advise on. Information provided is general in nature and does not constitute formal, specific legal advice. Consult an Attorney for specific legal advice for your particular situation. You may schedule a legal assistance appointment by calling the Joint Base Legal Assistance Division at 609-754-2010. February 2010.